

The Insolvency Act 1986

**Statement of administrator's proposals**

Name of Company Hodgkinson Builders (Midlands) Limited	Company number 04527790
In the Leicester County Court (full name of court)	Court case number 5 of 2011

(a) Insert full  
name(s)  
and address(es) of  
administrator(s)

We (a)

Simon David Chandler

Scott Christian Bevan

of Mazars LLP, Cartwright House, Tottle Road, Nottingham, NG2 1RT


\*Delete as  
applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 10 March 2011

Signed

  
Joint Administrator(s)

Dated

10/3/2011

**Contact Details:**

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Simon David Chandler  
Mazars LLP, Cartwright House, Tottle Road, Nottingham, NG2 1RT

DX Number

DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at -

Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

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COMPANIES HOUSE

# **Hodgkinson Builders (Midlands) Limited - In Administration ("the company")**

## **Administrators' Statement of Proposals Pursuant to Paragraph 49 of Schedule B1 of the Insolvency Act 1986**

**10 March 2011**

This report has been prepared for the sole purpose of updating creditors pursuant to the Insolvency Act 1986. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than advising them, or by any other person for any purpose whatsoever.

The Administrators' act as agents of the Company without personal liability

Simon David Chandler and Scott Christian Bevan  
Mazars LLP  
Cartwright House  
Tottle Road  
Nottingham  
NG2 1RT

# **Hodgkinson Builders (Midlands) Limited - In Administration**

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# Statement to Creditors

## 1 Introduction

- 1 1 This statement is addressed to the creditors of Hodgkinson Builders (Midlands) Limited and includes the Joint Administrators' proposals in accordance with Paragraph 49 of Schedule B1 of the Insolvency Act 1986
- 1 2 The statutory purpose of an Administration comprises three hierarchical objectives
- a rescuing the Company as a going concern
  - b achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)
  - c realising property in order to make a distribution to one or more secured or preferential creditors

Immediately upon my appointment, a financial review of the Company was undertaken. It was apparent that there was no reasonable prospect of rescuing the Company in its existing form as a going concern because the Company stopped trading in January 2011. The strategy for collecting the debtors will improve the position for Company's creditors in comparison to the Company proceeding into liquidation however this is likely only to improve the level of a prescribed part dividend. I have therefore concluded that the purpose of the Administration is objective c being the realisation of property in order to make a distribution to the secured and preferential creditors.

## 2 Statutory information

- 2 1 I would advise you that Simon David Chandler and I were appointed Joint Administrators of the Company on 19 January 2011. We are both authorised to act as an Insolvency Practitioners in the UK by the Insolvency Practitioners Association.
- 2 2 The application for the appointment of an Administrator was made by the Directors.
- 2 3 The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No 1346/2000 of 29 May 2000) applies to this Administration and the proceedings are main proceedings.
- 2 4 The Court reference number is 5 of 2011 filed in the Leicester County Court.
- 2 5 The Company's registered number is 04527790.
- 2 6 The trading address of the Company is 36 Royal Scot Road, Pride Park, Derby, Derbyshire, DE24 8AJ. The business traded under the name Hodgkinson Builders (Midlands) Limited.
- 2 7 The registered office of the Company was 4 Bank Court, Weldon Road, Loughborough, Leicestershire, LE11 5RF. On 31 January 2011 the Company's registered office changed to c/o Mazars LLP, Cartwright House, Tottle Road, Nottingham, NG2 1RT.

2 8 All acts required to be done by the Joint Administrators, may be done by either or both, acting jointly or alone

2 9 Details of the Company's Directors and secretary are as follows

Director	Date appointed	Date resigned	Shares held
Ian Hodgkinson	01/10/2005		1 £1 share jointly
Allison Hodgkinson	01/07/2006		1 £1 share jointly
David Harwood	05/09/2002		
Secretary	Date appointed	Date resigned	Shares held
Ian Hodgkinson	01/10/2005		

2 10 The Company was incorporated in September 2002 and traded from 36 Royal Scot Road, Pride Park, Derby, DE24 8AJ

2 11 The Company has granted fixed and floating charges over the company's assets dated 14 October 2005 in favour of Natwest Bank Plc securing all monies

### 3 Events Leading up to Appointment

3 1 The Company has traded profitably since its incorporation providing building services to a range of private and public sector customers. The Company provided a range of services from labour only contracts through to advice from the outset in terms of design and tender stage.

3 2 The Company's accounts show retained profits building year on year until 31 December 2007. The Company then traded through 2008 and 2009 with a small loss in each year. The Company's accounts at 31 December 2009 show a net worth of £101,159.

3 3 The Directors believe that the Company has delivered quality projects over these years and had an excellent track record in doing so. The Company had not concentrated on solely residential construction and as such it was insulated against the impact of the downturn in the market. Throughout 2009 and then into 2010 this downturn continued and competition for new contracts became increasingly competitive, significantly impacting on margins. The Company made a strategic decision not to buy in the turnover by offering loss making bids and retained a policy of pitching with realistic margins. The Directors had already reviewed the business overheads and undertaken action to restructure the business. More recently the Directors identified the threat of government cuts to infrastructure projects and its impact on a key customer niches.

3 4 The Company suffered the loss of a key staff member in 2010. The Directors wish to state on record that there is no suggestion of blame in highlighting the tragic events but recognise that this period was difficult for all those involved. The resulting shock and disruption to the business did add to the difficulties encountered during the financial year of 2010.

- 3 5 The Company subsequently sought further advice from its financial advisors as to the appropriate strategic direction and a review of its financial position. This took place immediately prior to the December 2010 shut down. Having assessed the financial position, the Directors entered into discussions with the Company's secured creditor and sought specialist advice as to the options available to the Company.
- 3 6 Whilst these discussions were ongoing the Directors concluded that they could not continue to trade the business without certainty regarding the payment of staff and accordingly made employees redundant on 4 January 2011.

#### **4 Subsequent Events**

- 4 1 A notice of an intention to appoint Administrators was filed on 5 January 2011 as a number of legal actions had been commenced. The discussions with the secured creditor were ongoing and the Directors undertook this course of action to protect the Company's position.
- 4 2 The Company's financial review indicated that the main asset was the company's Debtor Ledger. The Company engaged specialist independent quantity surveyors, Leslie Keats, prior to the appointment to value the contract debts and retentions. These are discussed in more detail in section 6.
- 4 3 The majority of the Company's contracts had been completed however operations continued for two customers. Work had ceased on the sites in December 2010 however the independent valuer's assessment was that the best outcome was to achieve a novation on those contracts.
- 4 4 The Administrators were appointed on 19 January 2011. Following our appointment we reviewed the current position of the Company. The Company had effectively ceased to trade in the third week of December 2010 when it shut down prior to Christmas, employees were subsequently made redundant on the first business day following the close down. No work was being undertaken on the active sites.
- 4 5 The advice received regarding the contracts in progress was that the value would be protected should the contracts be novated to complete the works. A strategy was implemented to try and achieve a novation on the contracts in progress to secure some value in the contract debtors. One of these contracts has been determined following the appointment of Administrators, however the other customer has indicated that they are prepared to novate the contract. The Administrators will now take steps to agree final accounts and recover any funds possible. The Administrators will continue to manage the debtor ledger relating to completed contracts so as to maximise the return to the Company.
- 4 6 The Company's tangible assets comprise of furniture, office equipment, fixtures and fittings and had a book value of £24,846. These assets are located at the Company's former trading premises. Independent Valuers, GoIndustry Dovebid have been appointed and have valued the tangible assets for the sum of £3,200 on an in-situ basis. GoIndustry Dovebid will be instructed to realise those assets for the benefit of the Company.
- 4 7 The Company had two vans subject to contract hire agreements with Lombard Finance. The Company had no ownership rights to the vehicles and they have been returned to the finance Company.

- 4 8 The Company operated from leasehold properties at Unit 36 Royal Scot Road, Derby. The Landlord of the property is Hornbuckle Trustees Limited. The trustees act on behalf of the private pension of Mr & Mrs Hodgkinson. There was no requirement to utilise the property in the Administration and a formal surrender has been offered to the Landlord.

## **5 Investigations**

- 5 1 The Joint Administrators are required to investigate the affairs of the Company and the conduct of the directors in the period leading up to the Administration. The findings are reported to the Insolvency Service in accordance with the Company Directors' Disqualification Act 1986, and an appropriate report will be filed in due course. The content of the report is confidential.
- 5 2 Should creditors have any information which they consider may assist the Joint Administrators in carrying out their investigations, or be aware of any matters which they believe should be brought to the attention of the Administrators, please provide details in writing to this office. This request for information forms part of our usual investigation procedures and does not imply that there may be any cause of action lying against any person concerned in the Company's affairs.

## **6 Assets**

### **Debtors**

- 6 1 The Company's main asset is its ledger of retentions and debtors. The Company's contract debts were valued by specialist, quantity surveyors, Leslie Keats. As at the date of the Administration, the Company had book debts related to completed contracts in the sum of £307,380 and book debts related to contracts in progress in the sum of £26,924. Leslie Keats have estimated realisable value of the completed contracts on a best and worst case scenario.
- The Directors believe that the debtors ledger is of good quality and should be collectable. The Directors have offered to assist with the book debts/retentions without charge. It should be noted that any required snagging works and associated works may reduce the recoveries. The Directors believe that their direct knowledge and experience of the contracts will enhance the surveyors valuation.
- As mentioned above the resolution of ongoing contracts is outstanding.
- To date debtor realisations have been paid into the Company's pre appointment bank account of £13,271.69. We have requested that those post appointment receipts are paid across to the Administrators account however we are yet to receive these funds.
- 6 2 The Company has fixtures and fittings comprising desks and chairs. These assets are in the process of being formally valued. The Directors have expressed an interest in purchasing these assets. As previously advised we have instructed our agents, GoIndustry Dovebid who have valued these assets at £3,200 on an in-situ basis and will deal with the disposal of the tangible assets.

- 6 3 As at the date of appointment there was an overdrawn Directors loan account in the sum of £5,321 We have made a request for this to be settled

## **7 Liabilities**

### **7.1 Secured Creditors**

- 7 1 1 The Company granted charges in favour of National Westminster Bank plc (the “Bank”) in respect of a debenture over the company’s assets created on 14 October 2005 As at 19 January 2011 the Bank were owed the sum of £402,425. The secured creditor has been guaranteed by the directors of the Company

### **7.2 Preferential Creditors**

- 7 2 1 The preferential creditors comprise of the employees wage arrears and the accrued holiday pay As per the Directors’ Statement of Affairs, the liability to preferential creditors is estimated at £10,628
- 7 2 2 The claims have been submitted to the Redundancy Payments Office who are in the process of agreeing and paying those claims

### **7.3 Unsecured Creditors**

- 7 3 1 The Company’s unsecured creditors as listed in the Director’s Statement of Affairs are summarised in Appendix B
- 7 3 2 Unfortunately, given the level of realisations anticipated it is unlikely that a dividend will be available for this class of creditor, other than any funds becoming available from the prescribed part.

## **8 Prescribed Part**

- 8 1 In accordance with Section 176A of the Insolvency Act 1986, a proportion of the company’s net assets are to be set aside for the benefit of the Company’s unsecured creditors where the company has granted a floating charge after 15 September 2003 This is calculated as being 50% of the first £10,000 of net property and 20% of net property thereafter subject to a maximum fund of £600,000 Net property is defined as being the realisations from assets subject to the floating charge after costs and after settlement of the preferential creditors claims
- 8 2 In this instance, if realisations are in line with the best case outcome as in Appendix D, I estimate the value of the Company’s net property to be £112,892 and the prescribed part will therefore be in the region of £22,581 At this stage the debtor recoveries remain highly uncertain and if those recoveries are lower than set out in the statement of affairs then there may be a significant reduction in the net property and a similar reduction in the prescribed part



## **9 Statement of Affairs**

9 1 In accordance with paragraph 47 of Schedule B1 of the Insolvency Act 1986, the Directors' were requested to prepare a Statement of Affairs by 7 February 2011. An extension was granted while the Directors were assisted by the Company's auditors.

9 2 A copy of the Statement of Affairs is attached at appendix A.

## **10 Receipts & Payments Account**

10 1 Attached at Appendix C is a summary of my receipts and payments for the period from 19 January 2011 to 10 March 2011 which I trust is self-explanatory.

## **11 Estimated Outcome Statement**

11 1 Attached as Appendix D is an estimated outcome statement. The statement shows the best case scenarios for the realisation of assets based on the figures provided by the directors' statement of affairs.

11 2 Based on current information, a dividend of 100p in the £ is estimated to be distributed to the preferential creditors.

11 3 As already mentioned in paragraph 7.3.2, a dividend to the Company's unsecured creditors is not anticipated apart from those funds being made available under the Company's prescribed part. It should be noted that this will be entirely dependant on debtor realisations.

## **12 Duration**

12 1 The appointment of the Joint Administrators shall cease to have effect at the end of the period of one year beginning with the date of their appointment. However, pursuant to paragraph 76 of Schedule B1 of the Insolvency Act, 1986 this may be extended by either

- an application to Court for a specified period, or
- by consent of the creditors for a maximum of 6 months

12 2 It is unclear at present if an extension of the Administration is likely to be sought in this case, but creditors will be kept advised of developments.

## **13 Proposals**

13 1 In accordance with paragraph 49 of Schedule B1 of the Insolvency Act 1986, the Joint Administrators of Hodgkinson Builders (Midlands) Limited make the following proposals to creditors for achieving the purposes of the Administration dated 19 January 2011:

- a The Joint Administrators shall do all such things and generally exercise all powers as Joint Administrators as they, at their discretion, consider desirable in order to achieve

the purpose of the Administration, or to protect and preserve the assets of the company, or to maximise realisations for any other purpose incidental to these proposals

- b That the Joint Administrators realise the company's remaining assets in accordance with their agents advice
- c That the Joint Administrators continue to investigate, and if appropriate, pursue any claims that an office holder and /or the company may have under The Companies Act or Insolvency Act against any parties concerned with the affairs of the company
- d That the Joint Administrators be able to make distributions to the preferential and secured creditors as appropriate
- e That the Joint Administrators be permitted to conclude the Administration and place the company into Creditors' Voluntary Liquidation, with the appointment of Simon David Chandler and Scott Christian Bevan as Joint Liquidators In accordance with paragraph 83(7) of Schedule B1 of The Insolvency Act 1986, and Rule 2.117(3) of the Insolvency Rules 1986, creditors may nominate a different person to act as Liquidator provided that the nomination is made after the receipt of these proposals and before they are approved
- f Under the provisions of the Insolvency Act, the Joint Administrators have limited powers to agree the claims of unsecured non-preferential creditors and make distributions without permission of the Court Therefore in the event that there are sufficient funds to enable a distribution to such creditors the Joint Administrators may apply to Court pursuant to paragraph 65 of Schedule B1 of The Insolvency Act 1986, for permission to declare and pay a dividend to such creditors, should they consider it to be more beneficial to the creditors than for the Company to proceed into Creditors' Voluntary Liquidation
- g In the event that the Company does not proceed into Creditors' Voluntary Liquidation, once all of the assets have been disposed of and all available funds distributed to creditors where possible, the Joint Administrators may, if appropriate, file a notice under Paragraph 84(1) of Schedule B1 of the Insolvency Act 1986, ending the Administration, with the company being dissolved three months thereafter

## **14 Meeting of creditors**

- 14.1 In accordance with paragraph 52(1)(b) of Schedule B1 of the Insolvency Act 1986, an initial meeting of the company's creditors is not required in this instance as the company has insufficient property to enable a distribution to be made to unsecured creditors, other than any funds that may be available to be distributed in accordance with the Prescribed Part
- 14.2 The Joint Administrators shall summon an initial creditors' meeting if requested by creditors of the company whose debts amount to at least 10% of the total debts of the company The request must be made in Form 2.21B within 8 business days of the date of these proposals If requested to convene such a meeting those creditors supporting the request will be required to provide security for costs arising from the meeting being called

- 14 3 If a meeting of creditors is requested, the creditors have the opportunity to form a creditors' committee. The purpose of such a committee would be to assist the Joint Administrators in the discharge of their duties and responsibilities.
- 14 4 If an initial meeting of creditors is not requisitioned within the prescribed timescale (8 business days per paragraph 14 2 above), the proposals will be deemed to have been approved.

## **15 Joint Administrators' remuneration**

- 15 1 In light of paragraph 14 1 above, confirmation and approval of the basis of remuneration will be sought from the secured creditor and preferential creditors of the company. The basis of remuneration may be fixed

- a) as a percentage of the value of the property with which I have to deal, or
- b) by reference to the time properly given by my staff and I in attending to matters arising in the administration, or
- c) as a set amount

or, as a combination of any one or more of the above

In this instance I will however be proposing that the Joint Administrators' remuneration be fixed on the basis of the time properly spent by my staff and I in dealing with matters arising during the Administration.

- 15 2 Approval in respect of the Joint Administrators' category 2 disbursements will also be sought from the secured creditor.
- 15 3 Attached as Appendix F are details of my firm's current charge out rates applicable to the case and those allocated disbursements for which approval will be sought.
- 15 4 Attached as Appendix E is a summary of my time costs to date in accordance with Statement of Insolvency Practice 9. To date 63 3 hours have been spent dealing with the administration of this case, at a total cost of £10,015 50 representing an average hourly rate of £158 22.

The Joint Administrators have incurred costs of £6,037 in dealing with matters prior to their appointment, however they will only look to seek approval from the secured creditor and preferential creditors of the Company for the sum of £4,500 in respect of the pre appointment costs.

A copy of the publication "a creditors' guide to Administrators' fees" which details the basis on which an Administrator's fees should be calculated and approved is available to download from the website <http://www.insolvency-practitioners.org.uk/page.aspx?pageID=104> or alternatively will be provided free of charge upon written request to this office.

## **16 Future Reports**

- 16 1 A progress report covering the first six months of the Administration will be circulated to creditors during June 2011.

Should you have any queries in relation to this matter, please do not hesitate to contact Mark Richards at this office

Yours faithfully  
For and on behalf of  
Hodgkinson Builders (Midlands) Limited



**S C Bevan**  
Joint Administrator

Dated 10 March 2011

*Authorised to act as an insolvency practitioner in the UK by the Insolvency Practitioners Association*

*The affairs, business and property of the Company are being managed by the Joint Administrators  
The Joint Administrators act as agents of the Company and without personal liability*

Hodgkinson Builders (Midlands) Limited  
Estimated Statement Of Affairs as at 19 January 2011

	Book Value £	Estimated to Realise £	£
<b>ASSETS</b>			
Plant & Machinery	24,846 00		2,500 00
Book Debts	347,323 00		150,000 00
Directors Loan Account	5,321 00		5,321 00
			<u>157,821 00</u>
<b>LIABILITIES</b>			
<b>PREFERENTIAL CREDITORS -</b>			
Employees Wage Arrears and Holiday Pay		10,697 16	
			<u>10,697 16</u>
			147,123 84
<b>DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003</b>			
<b>OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS</b>			
			<u>NIL</u>
			147,123 84
Estimated prescribed part of net property where applicable (to carry forward)			<u>32,424 77</u>
			114,699 07
<b>DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003</b>			
NatWest		402,425 00	
			<u>402,425 00</u>
			<u>(287,725 93)</u>
Estimated prescribed part of net property where applicable (brought down)			<u>32,424 77</u>
			32,424 77
<b>Unsecured non-preferential claims (excluding any shortfall to floating charge holders)</b>			
Trade & Expense Creditors		203,791 99	
Employee		17,980 90	
Redundancy Payment Service		104,367 12	
HMRC re VAT		84,413 00	
HMRC re PAYE & NI		49,953 00	
HMRC re Corporation Tax		29,720 00	
			<u>490,226 01</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F C's post 14 September 2003)			(457,801 24)
Shortfall in respect of F C's post 14 September 2003 (brought down)			<u>287,725 93</u>
			(745,527 17)
<b>Issued and called up capital</b>			
Ordinary Shareholders		1 00	
			<u>1 00</u>
<b>TOTAL SURPLUS/(DEFICIENCY)</b>			<u>(745,528 17)</u>

**Hodgkinson Builders (Midlands) Limited - Trade and Expense Creditors**

Name
ACS Stainless Steel Fixings Ltd
BT
Banner Plant Ltd
Barker Ross Ltd
C&G Concrete Ltd
CD Sealants Ltd
CITB - Construction Skills
CMP Information Ltd (Building M
CPI Mortars Ltd
Densidon Till Solicitors
Derby Cry Council
Didac Ltd
Direct Fuels Ltd
Document Network Service Ltd
EDF Electric
EH Smith Ltd
ESG Ltd
Eden Spring Uk Ltd
Emap Construct Ltd
Environmental Scientifics Group
Essex Abel Ltd
Geldards Solicitors
Grayson (GB) Ltd
HALEYS Ltd
Hanson UK
InHouse Cost Company
JS Millingtons Ltd
Lombard
National Westminster Bank plc
New Millennia Payroll Services
Oron Trent
Outsourcery Ltd
PID
Paul Freeman Ltd
Peak Media
Pitney Bowes Ltd
Premier Mortars
Redundancy Payments Office
SAFESTAND Access Systems
SYS Scaffolding Contractors
Safety Plus (Training& Consult
Severn Trent Water
Simon Nicholas Associates
Soil Mechanics Civils
Stanford Marsh
TRAVIS PERKINS
Taylor Maxwell Midlands Ltd
The 500 Club Ltd
The Business Coaching Practice
The Embroidery Centre Ltd
Tyrefix (Midlands) Ltd
Yellow Pages

**Hodgkinson Builders (Midlands) Limited**  
**(In Administration)**  
**Joint Administrators' Abstract of Receipts & Payments**  
**To 10/03/2011**

Appendix C

S of A £		£	£
	<b>ASSET REALISATIONS</b>		
2,500 00	Plant & Machinery	NIL	
150,000 00	Book Debts	NIL	
5,321 00	Directors Loan Account	NIL	
			NIL
	<b>PREFERENTIAL CREDITORS</b>		
(10,697 16)	Employees Wage Arrears and Holiday Pay	NIL	
			NIL
	<b>FLOATING CHARGE CREDITORS</b>		
(402,425 00)	NatWest	NIL	
			NIL
	<b>UNSECURED CREDITORS</b>		
(203,791 99)	Trade & Expense Creditors	NIL	
(17,980 90)	Employee	NIL	
(104,367 12)	Redundancy Payment Service	NIL	
(84,413 00)	HMRC re VAT	NIL	
(49,953 00)	HMRC re PAYE & NI	NIL	
(29,720 00)	HMRC re Corporation Tax	NIL	
			NIL
	<b>DISTRIBUTIONS</b>		
(1 00)	Ordinary Shareholders	NIL	
			NIL
<b>(745,528.17)</b>			<b>NIL</b>

REPRESENTED BY

**NIL**

**Hodgkinson Builders (Midlands) Ltd In Administration**  
**As at 10 March 2011**  
**Estimated Outcome Statement**

**Appendix D**

	Book Value £	Estimated to Realise £
<b>Assets not subject to a fixed charge</b>		
Debtors	347,000 00	150,000 00
Director's Loan Account	5,321 00	5,321 00
Furniture & Equipment	24,846 00	3,200 00
<b>Total realisations</b>	377,167 00	158,521 00
<b>Less Estimated Costs of Realisation</b>		(35,000 00)
<b>Assets available to preferential creditors</b>		123,521 00
<b>Less due to preferential Creditors</b>		(10,629 00)
<b>Available to Floating Charge Creditors</b>		112,892 00
<b>Estimated prescribed part to be made available for Unsecured Creditors (C/d)</b>		(22,581 40)
		90,310 60
<b>Amount due to the Secured creditor</b>	(402,225 00)	(402,225 00)
<b>Shortfall to NatWest Bank Plc</b>		(311,914 40)
<b>Prescribed part fund (b/d)</b>		22,581 40
<b>Unsecured Creditors</b>		
Trade and Expense Creditors	(203,792 00)	
HMRC re PAYE/NI	(49,953 00)	
HMRC re VAT	(84,413 00)	
HMRC re corporation tax	(29,720 00)	
Employees claims (Redundancy & Notice)	(122,348 00)	
		(490,226 00)
<b>Shortfall to Unsecured Creditors</b>		(467,644 60)



**Hodgkinson Builders (Midlands) Limited - In Administration****Pre Appointment****Analysis of pre appointment of time costs**

Classification of work function	Partner	Director	Total Hours	Total Costs £	Average Hourly Rate £
Initial Admin and Planning	8 80	10 50	19 30	6,037 00	312 80
Total Hours	<u>8 80</u>	<u>10 50</u>	<u>19 30</u>	<u>6,037 00</u>	<u>312 80</u>

**Administration****Analysis of Administrator's time costs for the period 19 January 2011 to 4 March 2011**

Classification of work function	Partner	Director	Manager	Administrator	Total Hours	Time Cost £	Average Hourly Rate £
Administration and planning	0 80	3 10	0 00	6 80	10 70	1,801 00	168 32
Taxation	0 00	0 00	0 00	0 30	0 30	22 50	75 00
Realisation of assets	0 90	3 90	0 00	2 70	7 50	1,639 50	218 60
Employees	0 00	0 80	0 00	7 00	7 80	757 00	97 05
Creditors	0 10	0 20	0 00	4 70	5 00	459 50	91 90
Reporting	0 00	6 70	0 00	8 50	15 20	2,580 50	169 77
Cashiering	0 00	0 00	0 00	1 00	1 00	74 00	74 00
Statutory & Compliance	5 20	0 00	0 20	10 40	15 80	2,681 50	169 72
Total Hours	<u>7 00</u>	<u>14 70</u>	<u>0 20</u>	<u>41 40</u>	<u>63 30</u>	<u>10,015 50</u>	<u>158 22</u>

## Guidance for Creditors on Charge Out Rates and Allocated Disbursements

### *Charge out rates*

It is anticipated that the Joint Administrators' fees will be fixed by reference to time properly spent by the Administrators and their staff in attending to all matters arising in the Administration. The following grades of staff are likely to work on the case and their charge out rates are set out below

Grade of personnel	Hourly charge out rate (£)
Partner	340 00 – 350 00
Director	290 00
Manager	230 00
Assistant Manager	180 00
Senior Administrator	150 00
Administrator	75 00 – 135 00
Cashier	75 00 – 95 00
Secretary	35 00

In common with other professional firms, our charge out rates increase from time to time over the period of administration of a case

### *Allocated disbursements*

Whilst dealing with the Administration, the Administrators will incur expenses and disbursements which may be recovered from the assets available in the Administration estate, in accordance with Rule 2.67 of the Insolvency Rules 1986

It is proposed that the Administrators will recover allocated expenses (*Category 2 Disbursements*) incurred in administering the case as follows

- Meeting Room Hire - The charge for statutory meetings held at this firm's offices are charged at a rate of £75 00 per meeting summoned (members' and creditors' meetings on the same day are treated as one meeting)
- Document storage – based on the cost of the square footage occupied by boxes and files of records and allocated on the basis of the number of open cases
- Printing, photocopying and stationery - This is calculated at a rate of 10p per page and is charged when bulk circulars are sent to creditors
- Mileage - This will be charged at relevant Inland Revenue rates, currently 40p per mile

All other expenses incurred (*Category 1 Disbursements*) are charged at cost and do not include an element of allocation